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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 5, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 6290

Scott Bakken
Energy Fuels Resources (USA)
225 Union Blvd Suite 600
Lakewood, Colorado 80228

Subject: Review of Reclamation Surety, Energy Fuels Resources (USA), Whirlwind Mine, S/019/0065, Grand County, Utah

Dear Mr. Bakken:

The last reclamation cost estimate for the Whirlwind mine was done in 2007 and escalated to 2011 dollars. As such, the surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$8,255 to \$14,500 for a three-year or \$14,800 for a five-year escalation date. The average reclamation costs are outlined below:

<i>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</i>			
<i>Whirlwind mine S/19/0065</i>			
<i>3-year escalation (2018)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	1	\$5,000.00	\$5,000.00
General Mob/demob >50 miles	1	\$1,500.00	\$1,500.00
TOTAL	2 Ac		\$14,500.00
<i>5-year escalation (2020)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	1	\$5,100.00	\$5,100.00
General Mob/demob >50 miles	1	\$1,500.00	\$1,500.00
TOTAL	2 Ac		\$14,800.00

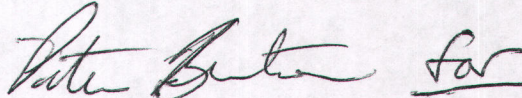


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Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of a surety bond. Please submit a rider to that surety bond, or you may submit a letter of credit, a certificate of deposit, or cash for either the increased or the total amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>. **Please provide the additional surety no later than December 1, 2015.**

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Mike Bradley, at 801-538-5332 if you have questions concerning this requirement.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul B. Baker", followed by a small flourish or mark.

Paul B. Baker
Mining Program Manager

PBB:mbt:pb
cc: Jerry Mansfield, SITLA (jmansfield@utah.gov)
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